

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 DHA-02 SCS-03 SCA-01 NEA-10 FS-01
ABF-01 AID-05 CIAE-00 COME-00 EB-08 FRB-03 INR-07
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02
LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01
L-03 H-01 DODE-00 PA-01 PRS-01 AGRE-00 /102 W
-----063333 171115Z /10

R 161608Z AUG 77
FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 2975
INFO AMCONSUL IBADAN
AMCONSUL KADUNA

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E.O. 11652: N/A
TAGS: EGEN, EFIN, EINV, ETRD, NI
SUBJECT: FOREIGN EXCHANGE AND RENT DECREE VIOLATIONS

REF: LAGOS 9227

1. ON SHORT NOTICE, COMMISSIONER FOR EXTERNAL AFFAIRS
REIGADIER GARBA ON AUGUST 16 CALLED IN HEADS OF MISSIONS REPRES-
ENTING THOSE COUNTRIES HAVING SIGNIFICANT VOLUME OF TRADE WITH
NIGERIA TO DELIVER FOLLOWING DEMARCHE ON VIOLATIONS OF
FOREIGN EXCHANE AND RENT DECREES.

BEGIN TEXT. EXCELLENCIES, THER HAVE BEEN MUCH DISCUSSION,
SPECULATION AND DEFINITIONS ALL OVER THE WORLD ON WHAT
THE NEW INTERNATIONAL ECONOMIC ORDER IS ABOUT OR WHAT
SHOULD SUBSTANTIALLY CONSTITUTE THE NEW NORTH/SOUTH
RELATIONS. THE EXERCISE OF DEFINITIONS MAY CONTINUE
ENDLESSLY AND YET THE INEQUITIES WHICH DIVIDE THE WORLD
INTO HAVES AND THE HAVES NOT WILL REMAIN UNCHANGED,
EXCEPT THERE IS MOTION AND ACTION COUPLED WITH GREATER
POLITICAL WILL TO TRULY ACCEPT THE NEW IMPERATIVES OF THE NEW
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INTERNATIONAL ECONOMIC ORDER.

AS FAR AS NIGERIA IS CONCERNED, THE GOALS, PRIORITIES
AND OBJECTIVES OF OUR FIVE YEAR DEVELOPMENT PLAN ARE
GEARED TOWARDS THE ACCELERATION OF THE ECONOMIC AND SOCIAL
WELFARE OF OUR PEOPLE, THUS, TO MAKE US BETTER ABLE TO
PARTICIPATE IN WORLD TRADE AND ECONOMIC CO-OPERATION

ON EQUAL FOOTINGS. WE WILL BE UNABLE TO ACHIEVE THESE GOALS UNLESS WE CONTINUE TO ENJOY THE FULL CO-OPERATION OF OUR FRIENDS PARTICULARLY THE VARIOUS COUNTRIES ON WHICH WE DEPEND TO A REASONABLE EXTENT FOR ESSENTIAL INFRASTRUCTURES.

BEFORE I COME TO THE CORE OF THIS MEETING, I SHOULD LIKE TO REMIND YOU THAT THE CREATION OF DIPLOMATIC RELATIONS BETWEEN TWO COUNTRIES IS EVIDENCE OF FRIENDSHIP AND POSITIVE CO-OPERATION. THOSE OF YOU WHO ARE HERE THIS MORNING HAVE BEEN SUMMONED ON THE BASIS OF THE VOLUME OF OUR TRADE AND ECONOMIC RELATIONS WITH YOUR COUNTRIES- WHICH ARE QUITE CONSIDERABLE PARTICULARLY WHEN MATICED AGAINST AFRICA'S INTRAREGIONAL TRADE, WHICH IS LESS THAN 6 PERCENT.

OUR ECONOMY MAY BE CRIPPLED UNLESS YOUR COUNTRIES SHOW NOT ONLY BY WORDS BUT CONCRETE AND POSITIVE ACTIONS, THE WILL TO CO-OPERATE WITH US MEANINGFULLY. WE HAVE RECENTLY FOUND OUT, WITH CONCRETE EVIDENCE, THAT NATIONALS OF SOME INDUSTRIALIZED COUNTRIES ARE IN COLLUSION, AND AIDING AND ABETTING NIGERIAN CITIZENS IN VIOLATING OUR FOREIGN EXCHANGE REGULATIONS. THE INFRACTION OF THE LAW SOMETIMES TAKES THE FORMS OF DELIBERATE INFLATION OF INVOICES OF IPORTED GOODS FROM ABROAD; IN OTHER CASES, THEY GO TO THE EXTENT OF OPENING OF ILLEGAL BOOTHS IN THESE COUNTRIES FOR SALE OF OUR CURRENCY BELOW THE MARKET RATE. IN SO DOING, THESE NIGERIANS AND NATIONALS OF THESE COUNTRIES LIMITED OFFICIAL USE

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AND OTHER FOREIGN COLLABORATORS ARE NOT ONLY RETARDING OUR ECONOMIC GROWTH BUT ALSO, FRUSTRATING OUR FISCAL PLANS. WE HAVE LOST MILLIONS OF NAIRA IN THIS NEW WAVE OF ACTS OF SABOTAGE. WE HAVE EVEN CONFIRMED THAT THERE ARE DIFFERENT AND HIGHER PRICES FOR COMMODITIES THAT NIGERIA PURCHASES FROM INDUSTRIALIZED COUNTRIES.

OUR GOVERNMENT IS DETERMINED TO REPEL THIS NEW FORM OF AGGRESSION AND EXPLOITATION WITH SEVERE MEASURES. WE HAVE PASSED A NEW DECREE WHICH WILL BE CONSTANTLY REVIEWED TO DEAL MERCILESSLY WITH NIGERIAN CITIZENS AND THEIR FOREIGN COLLABORATORS WHO COMMIT INFRACTION AGAINST THE NEW EXCHANGE CONTROL (ANTI-SABOTAGE) DECREE NO. 57, 1977. THE ECONOMIC OFFENCE COVERED FORTHWITH BY THE NEW EXCHANGE CONTROL DECREE WILL BE TREATED AS AND ACT OF SABOTAGE WHICH IN EFFECT, IS ECONOMIC AGGRESSION THAT THREATENS THE STABILITY OF OUR ECONOMY. THOSE ALREADY CAUGHT WILL BE PUT ON TRIAL AS SOON AS POSSIBLE AND WHEN CONVICTED, THE CULPRITS WILL BE SEVERELY DEALT WITH: ECONOMIC OFFENCES THAT FALL WITHIN THE AMBIT OF THE NEW DECREE WILL ATTRACT MORE SEVERE PUNISHMENT.

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INFO AMCONSUL IBADAN

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YOUR EXCELLENCIES, I THEREFORE REQUEST YOU TO
COMMUNICATE THE POSITION OF OUR GOVERNMENT, ON THIS WAVE
OF INFRACTIONS OF OUR FOREIGN EXCHANGE REGULATIONS AND
THESE ACTS OF SUBVERSION BY NATIONALS OF CERTAIN
INDUSTRIALIZED COUNTRIES TO YOUR GOVERNMENTS AND YOUR
NATIONALS RESIDENT IN NIGERIA.

CO-OPERATION IS A TWO-WAY TRAFFIC, WHEN NATIONALS
OF ANY COUNTRY CONTINUE TO COLLABORATE TO FLOUT OUR
LAWS AND CONTINUE TO ENGAGE IN SUBVERSIVE ACTS, YOU DO
NOT EXPECT THE HOST COUNTRY THAT TAKES THE KICKS TO
STAND IN SILENCE IN THE NAME OF FRIENDSHIP. WE WILL NOT
STAND IDLE WHILE OUR TREASURY IS BEING PLUNDERED AND OUR
SOURCES OF DEVELOPMENT DRAINED AWAY.

ASIDE FROM OUR EXCHANGE CONTROL REGULATIONS, WE KNOW
THAT CERTAIN FOREIGN MISSIONS AND NATIONALS OF FOREIGN
COUNTRIES ARE FLOUTING THE RENT DECREE IN A RECKLESS
MANNER THAT SHOWS A DETERMINATION TO SUBVERT OUR
GOVERNMENT. OUR GENEROSITY HAS BEEN TAKEN FOR GRANTED
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AND OUR PATIENCE IS ALREADY OVER-TAXED. WE SHALL FROM NOW ON CONSIDER ANY INFRACTION OF THE RENT AND EXCHANGE CONTROL DECREES VERY SERIOUSLY. WE ARE FULLY AWARE OF THE PROBLEMS FOREIGN MISSIONS ENCOUNTER IN SECURING ACCOMMODATION AND THE MINISTRY WILL CONTINUE TO DO ITS BEST TO ASSIST IN THE NORMAL WAY.

IN CONCLUSION I WILL AGAIN REMIND YOU THAT IT IS YOUR DUTY NOT ONLY TO PROTECT YOUR NATIONAL INTEREST, BUT THE INTEREST OF YOUR HOST COUNTRY IN THE DISCHARGE OF YOUR FUNCTIONS.

THANK YOU FOR COMING AND I EARNESTLY ENJOIN YOUR EXCELLENCIES TO STUDY THE IMPLICATIONS OF THE NEW DECREE, THE EXCHANGE CONTROL (ANTI-SABOTAGE) DECREE IN ORDER THAT WE MAY CONTINUE TO ENJOY THE TRADITIONAL CO-OPERATION WITH YOUR COUNTRIES. END TEXT.

2. UPON CONCLUSION PREPARED TEXT, GARBA LAUNCHED INTO IMPASSIONED PLEA FOR COOPERATION. HE SAID THAT WHILE NIGERIA HAS BEEN TRYING TO PUT ITS HOUSE IN ORDER SINCE 1975 COUNTRIES REPRESENTED IN MEETING HAVE BEEN ENCOURAGING HER ON ONE HAND BUT ON OTHER HAND ALLOWING "THESE THINGS TO GO ON. WE TRY TO BE CIVILIZED BUT WE NEED YOUR HELP. AMOUNT OF MONEY INVOLVED IN FOREIGN EXCHANGE INFRACTIONS EQUALS ENTIRE BUDGETS OF SMALLER AFRICAN COUNTRIES. YOU CANNOT EXPECT YOUR HOST, NIGERIA, TO STAND IDLY BY WHILE OUR RESOURCES ARE BEING DRAINED AWAY."

3. WITH REGARD TO INFRACTIONS OF RENT DECREE, GARBA SAID GOVERNMENT AWARE OF HOUSING PROBLEMS FACED BY DIPLOMATIC CORPS AND IF GOVERNMENT HOUSING WERE LIMITED OFFICIAL USE

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AVAILABLE TO LEASE TO EMBASSIES, HE WOULD DO SO. HE TOLD MISSIONS IT WAS THEIR DUTY TO REPORT IMMEDIATELY ANY LANDLORDS ATTEMPTING TO EXPLOIT EMBASSY PERSONNEL. HE SAID SUCH CASES WOULD BE EXPEDITIOUSLY HANDLED AND FELT ONE OR TWO CONVICTIONS WOULD SERVE AS BENEFICIAL EXAMPLES.
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